

Osage Municipal Utilities Voluntary Community Solar Program

Customer Agreement Terms and Conditions

This Voluntary Community Solar Program Agreement (this "Agreement") is made and entered into as of _____, 20____, by and between Osage Municipal Utilities ("OMU"), whose mailing address is 720 Chestnut Street, P.O. Box 207, Osage, IA 50461, and the Customer identified as follows ("Customer"):

Customer Name: _____

Customer Account No.: _____

Service Address: _____

Mailing Address: _____

City, State, Zip Code: _____

1. **Eligible Participants.** OMU's Voluntary Community Solar Program is open to all OMU electric customers with accounts in good standing as defined by OMU's policies. Customers will be enrolled in the Voluntary Community Solar Program on a first come, first served basis.
2. **Credit Purchase.** Subject to the terms and conditions set forth in this Agreement, OMU hereby grants to Customer the right to receive a production-related credit on its electric bill for the Service Address noted above (the "Service Address"), based on an allocation of the actual net electrical output of the OMU Community Solar Array ("Solar Array") in proportion to the amount of nameplate capacity in the Solar Array associated with the Units being purchased by Customer.

Unit(s) Purchased _____ x 143 watts = _____watts of Solar Array capacity.

The Solar Array will be located at 412 Joseph Lessard Court, Osage, IA and will be owned, operated and maintained by OMU. Customer acknowledges and agrees that Customer has no ownership or possession of any solar panels or any other physical elements that are part of the Solar Array or the capacity thereof, or ownership interest in OMU. Customer will not be receiving, and is not entitled to physically receive, any of the actual electricity produced by the Solar Array.

3. **Consideration.** As consideration for Customer's right to receive a production-related credit pursuant to this Agreement, the Customer has paid to OMU the sum of \$125 per unit (143 watts) of Solar Array capacity, upon execution of this Agreement.

Unit(s) Purchased _____ x \$75 = _____ of "Solar Capacity Fee".

4. **Limitations.** Customer is subject to a maximum allowable quantity of Units that may be purchased. The maximum allowable quantity is determined based upon Customer's allocation of the estimated monthly net electrical output from the Solar Array (in kWhs), which may not exceed 90% of Customer's lowest monthly energy consumption (in kWhs) during any given month in the 24 month period prior to the execution of this agreement.
5. **Term.** During the Term (as defined below), Customer will receive a production-related credit on the Customer's electric bill for each Unit purchased by the Customer.

Customer's production-related credit shall begin on the later of: 1) the first full billing period after the in-service date for the Solar Array; or 2) the first full billing period after Customer's Unit purchase. Monthly bill credits will continue for a period of 20 years and zero months (the "Term"), subject to early termination as provided in Section 10 of this agreement.

6. **OMU Obligations.** OMU agrees to 1) contract for the design and construction of the Solar Array; and 2) for the Term, provide for operation and maintenance of the Solar Array using industry accepted methods and commercially reasonable efforts to maximize the electrical output of the Solar Array.
7. **Production-Related Credit.** The production-related credit ("PRC") for each Unit purchased will be calculated as follows:

- 7.1. The Solar Array's nameplate capacity is expected to be approximately 792 kilowatts. Each unit is based on 143 watts of such capacity.
- 7.2. The actual electric production generated by the Solar Array will be metered in kilowatt hours (kWh) on a monthly basis measured at the point the electricity enters the OMU distribution system. This net electrical production will then be allocated to each Unit based on an equal percentage of the actual Solar Array output, in kWhs. This value is the Output per Unit (OPU) and will be calculated by OMU each month.
- 7.3. The PRC for each billing period will be calculated as follows:

$$\text{PRC (in dollars)} = \text{Number of Customer's Units} \times \text{OPU (kWh)} \times \text{Solar Rate Credit (\$/kWh)}$$

- 7.4. The initial Solar Rate Credit is \$0.076 per kWh, subject to review and adjustment as part of a regular OMU electric rate case.
8. **Environmental Attributes.** Customer acknowledges and agrees that all Environmental Attributes associated with the Solar Array shall remain the property of OMU and Customer agrees not to make any statement contrary to such ownership by OMU.

"Environmental Attributes" means any and all rights, credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, resulting from the environmental or renewable characteristics or attributes of the Solar Array or the avoidance of the emission of any gas, chemical, or other substance to

the air, soil or water, which are deemed of value by OMU, in each case now or hereafter created or recognized by any governmental authority or independent certification association or entity generally recognized in the electric power generation industry and generated by or associated with the Solar Array, including without limitation any renewable energy credits or similar rights arising under any federal or state renewable portfolio standard, the Center for Resource Solutions' Green-e program and any credits, offsets or similar rights arising under any federal or state carbon legislation or regulation or any voluntary or government-mandated carbon trading program. Environmental Attributes also include but are not limited to: (a) any avoided emissions of pollutants to the air, soil, or water such as (subject to the foregoing) sulfur oxides (SOx), nitrogen oxides (NOx), carbon monoxide (CO), and other pollutants; and (b) any avoided emissions of carbon dioxide (CO₂), methane (CH₄), and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change to contribute to the actual or potential threat of altering the Earth's climate by trapping heat in the atmosphere.

9. **Transfer Within OMU Service Territory.** Should a Customer move to another location receiving electric service from OMU, or otherwise have a change in OMU account number, the Customer's Unit(s) will transfer to the Customer's new location or account. It is the Customer's responsibility to contact OMU to request the transfer of the Unit(s), which OMU will implement as soon as practicable.
10. **Termination, Assignment or Buyout.** If a customer moves out of OMU's electric territory or is otherwise no longer provided electric service by OMU, Customer may assign Unit(s) to one or more eligible OMU electric customers in accordance with the requirements of this Section, or OMU will repurchase the Unit(s) as follows:
 - 10.1. **Unit Assignment** – Customer may request that OMU assign Unit(s) to another individual or entity provided such assignee is an OMU electric customer eligible to use the Unit(s). Customer will notify OMU of such proposed change or assignment in writing at least thirty (30) days prior to the effective date of such change. Notice shall include:
 - a. Customer's name and mailing address;
 - b. The current service address and account number;
 - c. The service address and account number of the proposed assignee;
 - d. The name of the individual or entity to whom Customer is assigning this Agreement and;
 - e. The proposed effective date of such change or assignment.

OMU will determine if the proposed assignee is eligible to receive the Unit(s) and if so will implement the change within thirty (30) days of Customer's notice. Assignee must then agree in writing, on an Assignment Form available at 720 Chestnut Street, Osage, Iowa, to be bound by the terms of the original Agreement. If the proposed assignee is not eligible, in whole or in part, to receive the Unit(s), OMU will notify Customer, and if an eligible assignee is not identified by Customer, OMU will repurchase the applicable Unit(s).
 - 10.2. **Termination Unit Purchase** – If Customer is unable to assign some or all of the Unit(s) to

another eligible OMU customer, OMU will repurchase Customer's remaining Unit(s) based upon the following schedule:

Schedule of Repurchase Values					
Year	Percent of Subscription Fee	Year	Percent of Subscription Fee	Year	Percent of Subscription Fee
1	90	8	20	15	0
2	80	9	10	16	0
3	70	10	5	17	0
4	60	11	5	18	0
5	50	12	5	19	0
6	40	13	0	20	0
7	30	14	0		

10.3. If Customer dies or if their property, including their rights under this Agreement, is transferred to another person or entity by operation of law, OMU shall only be obligated to continue providing the production-related credit to the transferee if the transferee is an eligible OMU customer as set forth in Section 10.1. Otherwise, OMU's sole obligation shall be to repurchase the Unit(s) in accordance with Section 10.2.

10.4. Except as expressly provided in this Agreement, Customer may not assign, give, bequeath or transfer any rights under this Agreement, including any Unit(s), to any other individual or entity.

11. **No Representations by OMU.** OMU makes no representation or warranty to Customer with respect to the following:

11.1. OMU is not making any representation about the taxable consequences, if any, of production-related credits received by Customer or payment of the Solar Capacity Fee, or whether Customer will incur tax liabilities associated with Customer's receipt of production-related credit or other payments from OMU or any assignee.

11.2. OMU is not making any representation concerning the applicability of federal or state securities laws to the Unit(s), the sale and purchase of Unit(s) or the production-related credit Customer receives. Neither this Agreement nor the Unit(s) or Solar Array have been registered as a security under any securities laws.

11.3. OMU makes no representation or warranty as to the likelihood that the Solar Array will generate any specific or minimum amount of electricity or that the Solar Array will produce sufficient electricity so as to create any specific or minimum amount of production-related credit for Customer during any period of time or over the Term. Actual production will be affected by equipment performance, actual solar insolation experienced, other weather events, inexplicable acts, performance by third parties and other events and circumstances

beyond OMU's control. Any estimate of expected electricity production from the Solar Array made by OMU or others is purely an estimate based on available information and is not a guarantee that any particular amount of electricity will be produced. Any estimate of expected bill credits, or the amount of time it will take for a Customer to recover the cost of Unit(s), made by OMU or others is purely an estimate based on available information and is not a guarantee that bill credits will be any particular amount or that a Customer will recover the cost of Unit(s) over any particular period of time or ever.

11.4. OMU makes no representation or warranty as to the amount of time the Solar Array and individual components of equipment may be non-operational due to malfunction, damage or destruction, or the ability to repair or replace the Solar Array and equipment or restore operation thereof. OMU makes no representation or warranty as to the performance of third parties under any applicable agreements or warranties, if any, regarding the operation, maintenance, repair and replacement of the Solar Array and equipment.

11.5. OMU makes no representation or warranty that Customer's production-related credit will provide any specific or minimum amount of economic benefit to Customer over any period of time or the Term as a whole.

12. CUSTOMER REPRESENTATIONS. CUSTOMER ACKNOWLEDGES, UNDERSTANDS AND AGREES TO SECTIONS 11.1 THROUGH 11.5 ABOVE. CUSTOMER UNDERSTANDS THAT THERE IS NO ASSURANCE CUSTOMER'S BILLS WILL BE CREDITED BY ANY CERTAIN AMOUNT OR THAT THE SOLAR ARRAY WILL PRODUCE ANY CERTAIN AMOUNT OF ENERGY OR BE OPERATIONAL AT ANY GIVEN TIME.

CUSTOMER AGREES THAT OMU MAY PUBLICIZE CUSTOMER'S PARTICIPATION IN OMU'S VOLUNTARY COMMUNITY SOLAR PROGRAM UNLESS THE CUSTOMER REQUESTS, IN WRITING, OTHERWISE.

13. **Notices.** All notices, requests, consents, and other communications to a party under this Agreement must be in writing, delivered to the mailing address for such party stated above, and will be deemed delivered upon the earlier of (a) three business days after being deposited in certified or registered mail, return receipt requested, postage prepaid, or (b) the following business day after being delivered to a reputable overnight courier service.

14. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications (collectively, "Materials and Communications") between the parties, including all Materials and Communications distributed by OMU whether specifically to Customer or generally to OMU's customers and constituents.

15. **Contingent on Construction of Solar Array.** Notwithstanding anything herein to the contrary, OMU may determine not to proceed with the Solar Array project in its sole discretion. If OMU determines not to proceed with the Solar Array project, this Agreement shall automatically terminate and OMU shall return all Solar Capacity Fees paid by Customer.

16. **Termination of Agreement by OMU.** OMU reserves the right to terminate this Agreement at any time, at its discretion, if circumstances arise that deem termination necessary in the best interest of OMU and its customers. If OMU exercises its right to terminate this Agreement, the repurchase provisions in Section 10.2 will apply.
17. **Governing Law/Jurisdiction/Venue.** This Agreement shall be deemed to have been made in, and shall be construed under, the internal laws of the **State of Iowa**, without regard to the principles of conflicts of laws thereof. The parties acknowledge and agree that a court of competent jurisdiction located in **Mitchell County, Iowa** shall have exclusive jurisdiction in any action or proceeding arising under or relating to this Agreement.
18. **Municipal Electric Utility.** All rights and obligations of OMU herein shall belong and apply exclusively to the Municipal Electric Utility of the City of Osage, Iowa.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

OSAGE MUNICIPAL UTILITIES:

By: _____

Name: _____

Title: _____

CUSTOMER:

By: _____

Name: _____

Title: _____

FOR OFFICE USE ONLY:

Check No.: _____

Date: _____

Received By: _____